

Message Text

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WARREN W. GLICK ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/ODF/BGCORWE

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA

UNCLAS STATE 029692

E.O. 11652: N/A

TAGS: APUB, RP

SUBJECT PRESS RELEASE ON EXIMBANK CREDIT TO PHILIPPINES

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$1,290,000 TO SAN MIGUEL CORPORATION, MAKATI,
RIZAL. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON,
D.C. FOR A.M. PAPERS, FRIDAY, FEBRUARY 21, 1975.

QUOTE: EXIMBANK PROVIDES \$1,290,000 DIRECT CREDIT TO ASSIST
\$4.3 MILLION SALE OF U.S EQUIPMENT FOR PACKAGING PLANT IN
PHILIPPINES

TO HELP FINANCE A \$4.3 MILLION SALE OF U.S GOODS AND SERVICES
REQUIRED FOR THE EXPANSION OF THE PACKAGING PRODUCTS
DIVISON OF A PLANT IN THE PHILIPPINES, THE BOARD OF DIRECTORS
OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED
A DIRECT CREDIT OF \$1,290,000 TO FINANCE 30 PERCENT OF THE TOTAL
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U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY.

A CREDIT OF \$2,580,000 FROM BANKERS TRUST COMPANY, NEW YORK, WILL FINANCE 60 PERCENT OF THE TOTAL U.S. COSTS. THE OBLIGOR SAN MIGUEL CORPORATION, MAKATI, RIZAL, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR \$430,000. ESTABLISHED IN 1890, THE OBLIGOR IS A WELL-ESTABLISHED BREWERY WITH A BROAD RANGE OF OTHER PRODUCTS WHICH INCLUDE SOFT DRINKS ICE CREAM AND DAIRY PRODUCTS, CORRUGATED BOARD BOXES, POULTRY AND LIVESTOCK FEEDS, GLASS, METAL AND PLASTIC CONTAINERS.

THE PROJECT IS FOR THE EXPANSION OF SAN MIGUEL'S MANDAUE GLASS PLANT, MODERNIZATION OF THE MOLD SHOP AND THE CARTON PLANT AND TO INCREASE THE GENERATING CAPACITY OF THE POSER PLANT. U.S. PURCHASES WILL INCLUDE CONVEYORS, REFRACTORIES, BLOWERS, DECORATING AND LABELING UNITS, BOTTLE WASHERS, PUMPS, COMPRESSORS, AIR DRYER, LATHES, TOOLS, INSTRUMENTATION, AND CONTROL EQUIPMENT. INCLUDED MAONG THE PROBABLE U.S. SUPPLIERS ARE COHART REFRACTORIES OF LOUISVILLE, KENTUCKY; C.E. REFRACTORIES OF ST. LOUIS, MISSOURI; WESTINGHOUSE ELKCTRIC OF NEW YORK, NEW YORK; EMHART CORPORATION OF HARTFORD, CONNECTICUT; MONARCH MACHINE TOOL COMPANY OF SIDNEY OHIO; AND KIPPERS COMPANY, INC., OF PITTSBURGH, PENNSYLVANIA.

THE LOANS ARE TO BE REPAYED IN 14 SEMINNAUL INSTALLMENTS BEGINNING MAY 31, 1977. EXIMBANK AND THE PRIVATE LENDER ARE TO BE REPAYED PARI PASSU OUT OF THE FIRST 10 INSTALLMENTS, WITH THE LAST 4 INSTALLMENTS GOING TO THE PRIVATE LENDER. INTEREST ON EXIMBANK'S DIRECT CREDIT OF \$1,290,000 WILL BE AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM THE PARTICIPATING BANK RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.83 PERCENT TO 11.08 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S CREDIT IS TO BE GUARANTEED BY BANKERS TRUST COMPANY. UNQUOTE INGERSOLL

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